Returned Invoices

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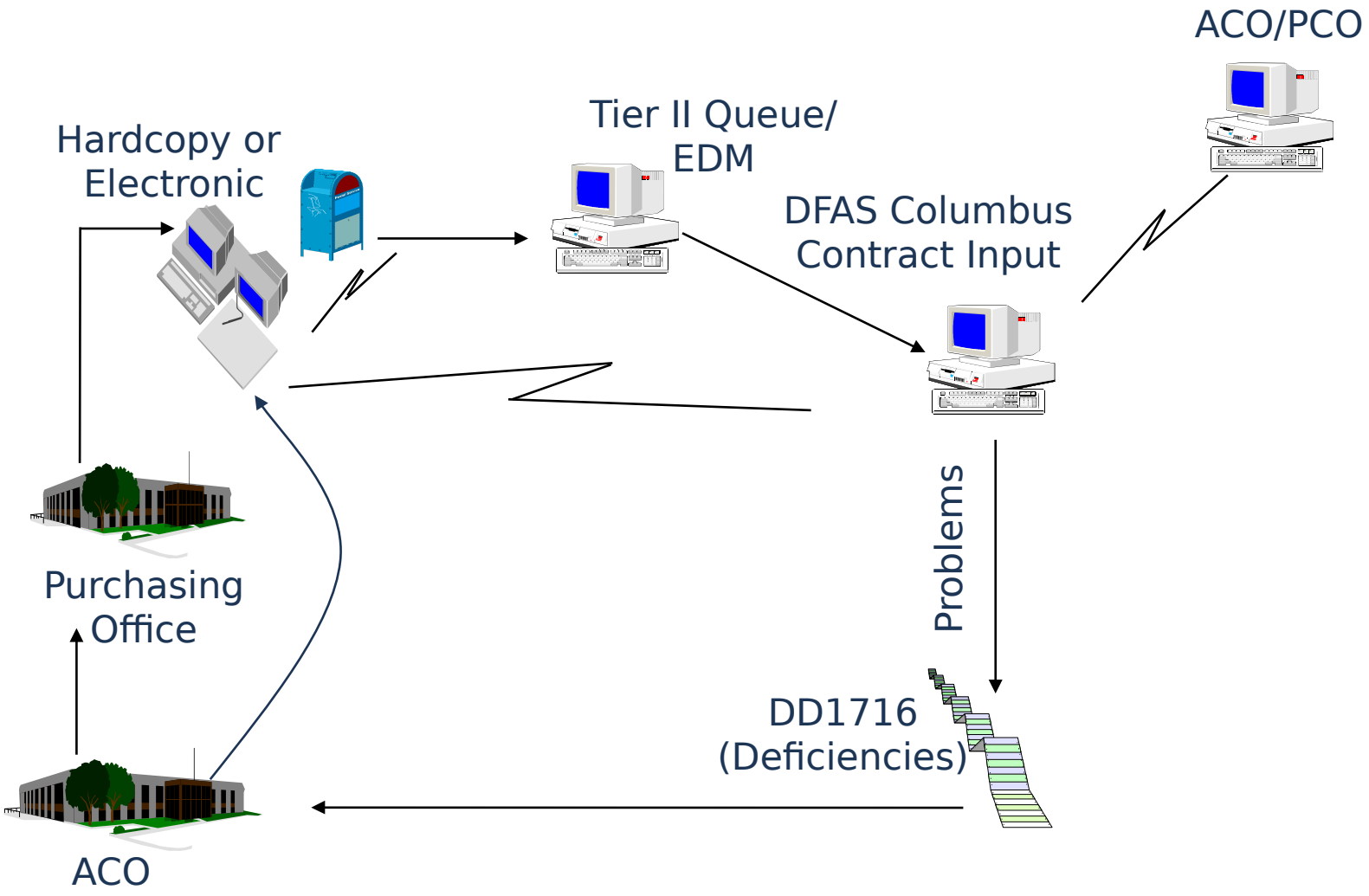
Your Financial Partner @ Work

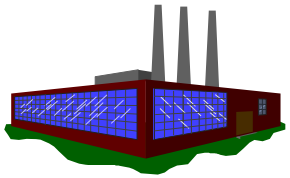
Topics

- MOCAS Payment Process
- Impact of Returned Invoices
- Top Four Reasons for Returns
- Get Well Plan

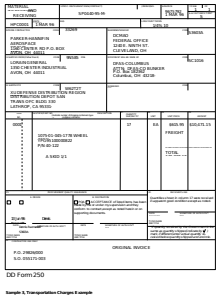
Contract Input



Production & Delivery of Goods



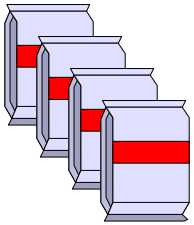
Contractor



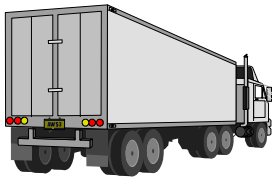
DD250
(Material Inspection/
Receiving Report)

CAO

DFAS Columbus

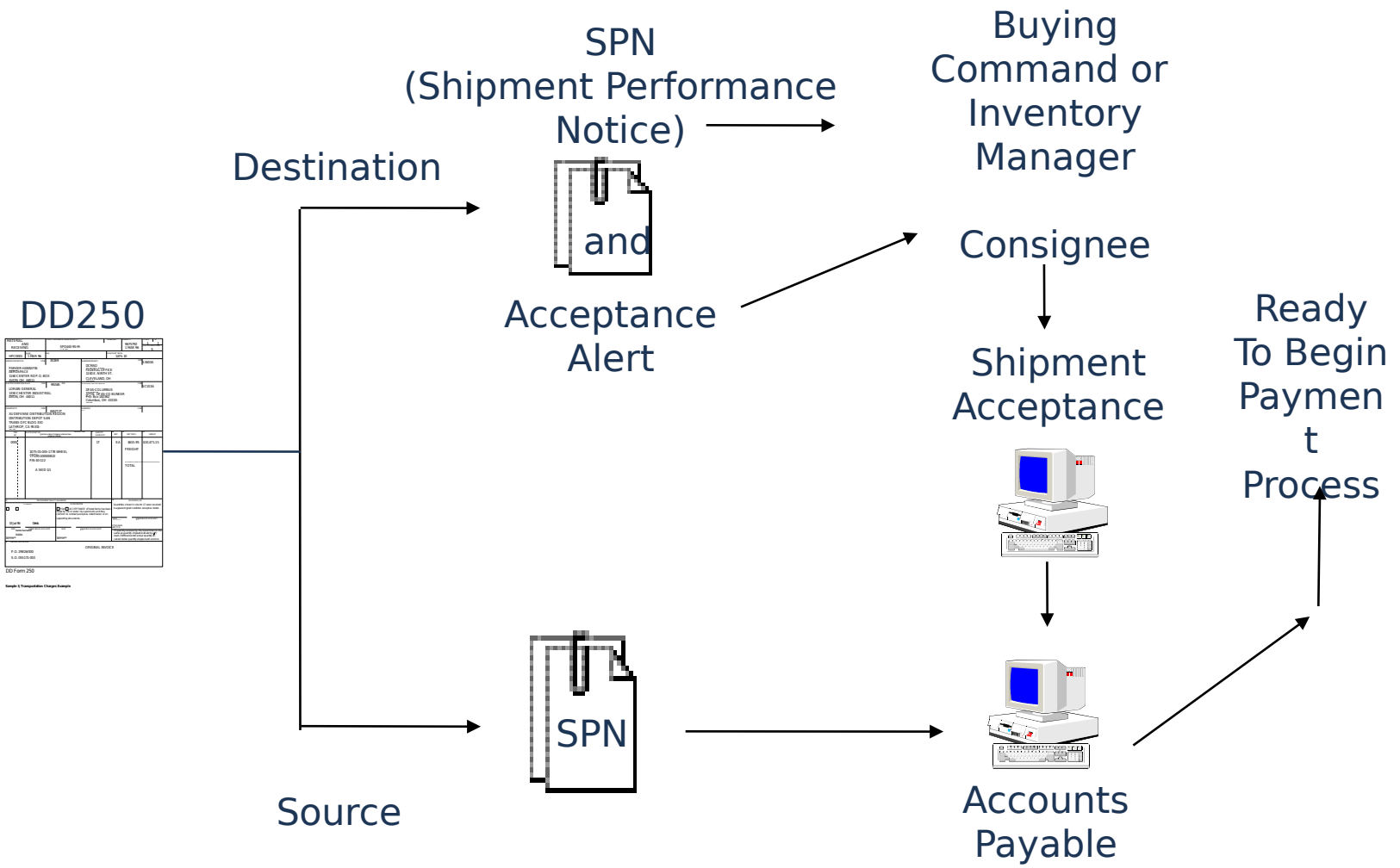


Material Produced and Shipped

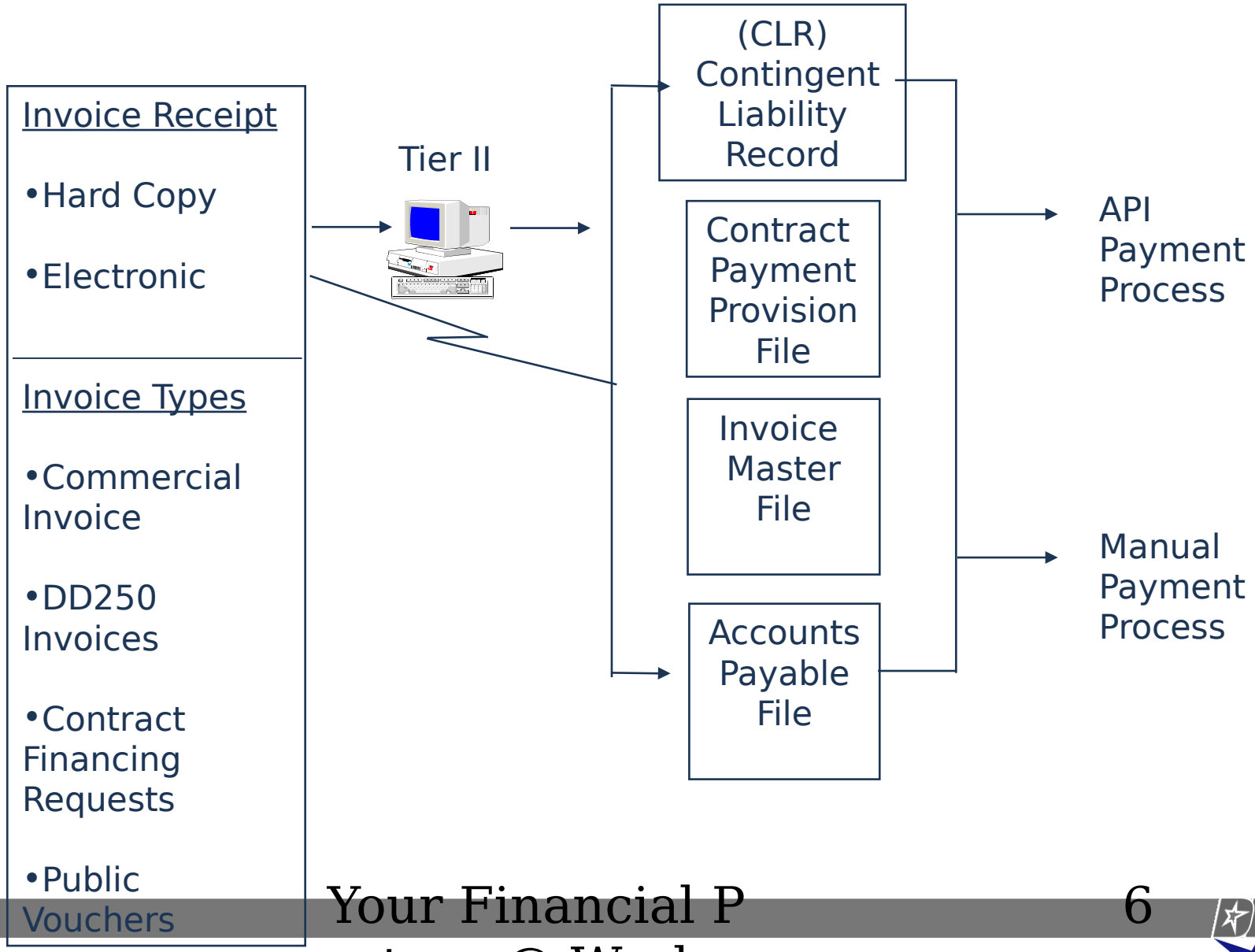


Destination

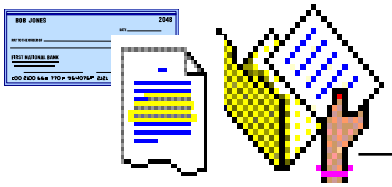
Acceptance of Goods



Invoice Input



Disbursement

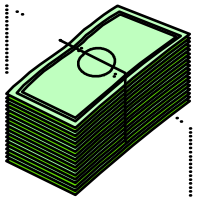


Payment, Subvoucher, and Invoice

Checks Validity of Payment

Disbursing

OK



Full

Problem

CPN

Payment Notices
Reports to
Accounting Stations

Entitlement Division

Back to Entitlement

Magnitude of Business

- Number of Active Contractors - 16K
- Number of Active Contracts - 329K
- Total Obligated - $881.3B
- Approximately 90K Invoices Go Through the Payment Process Monthly
  - 79K Pay
  - Approximately 12% End Up Returned to the Contractor or Recycled

Impact of Returned Invoices

- Approximately 11K Invoices are Returned Monthly
  - Downward trend this FY
- Represents Rework for Us and You
  - Resubmission of Invoices
  - Reprocessing of Invoices
- Causes Delays in Payment

Returned Code Variables

Code	Description
E-01	DFAS Not the Paying Office
E-02	Awaiting a Definitizing Modification
E-03	Contract Number on Invoice is Missing or Invalid
E-05	Duplicate Invoice/Shipment Number
E-06	Shipment Number is Missing or Incorrect
E-07	Evidence of Shipment Required
E-08	Invoice Requires Approval
E-09	Per Instructions of TO/ACO/PCO
E-10	Item Number Requires Verification
E-11	Invoice Not Billed IAW the Contract
E-12	Error on DD250
E-13	Inspection/Acceptance Problem
E-14	Unauthorized Overshipment
E-17	Transportation
E-19	As Required

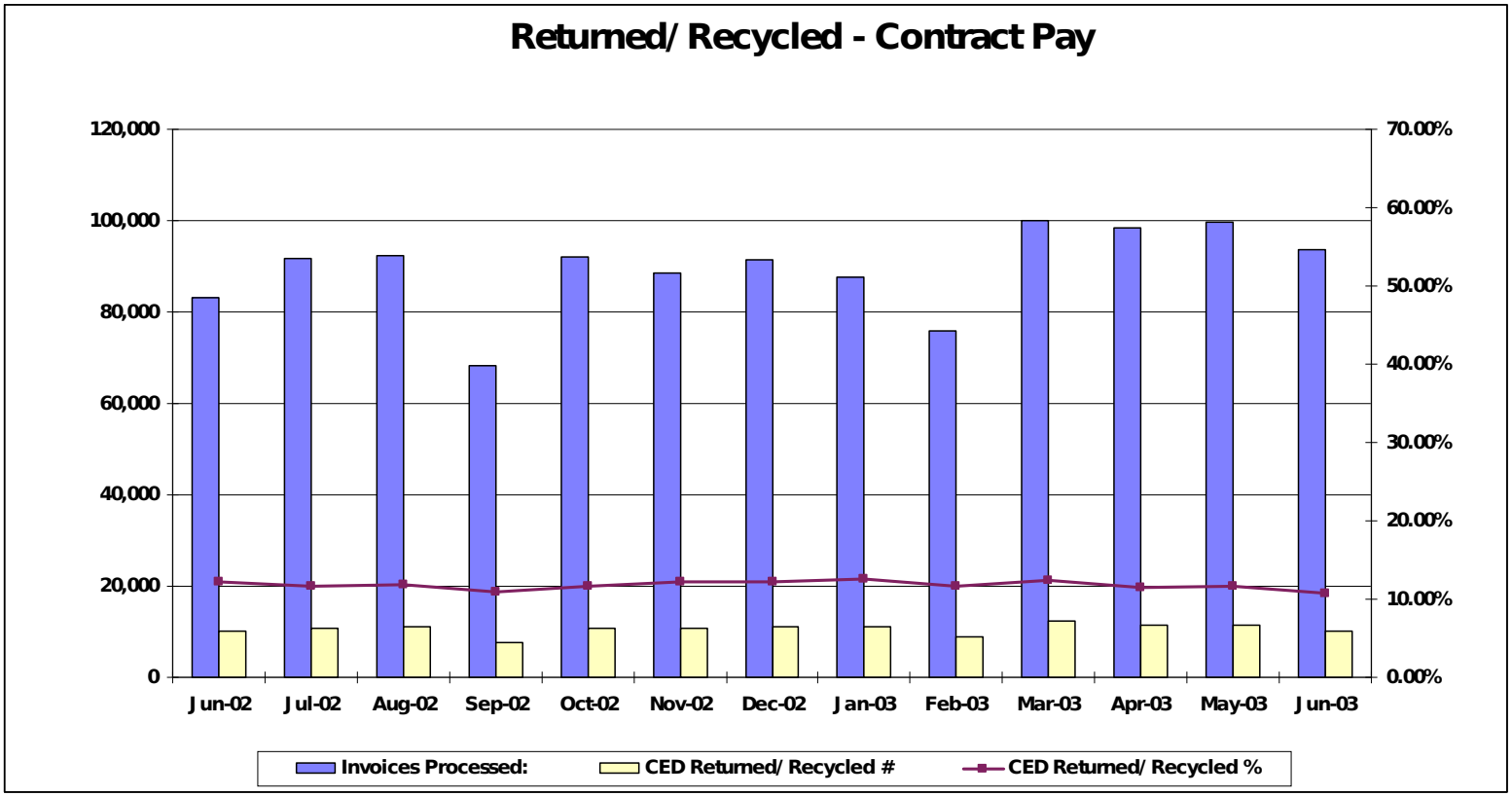
Prompt Pay Requirement

- In accordance with the Prompt Pay Act, DFAS is required to return the invoice to the contractor for correction within 7 days of receipt.

Top 4 Reasons for Returns - FY03

- E-12: Error on DD250
  - Distribution Not Made to Terminal
    - The contractor must ensure proper distribution of the DD250 is made to the CAO terminal prior to resubmitting the invoice for payment.
- E-11: Invoice Not Billed IAW Contract
  - Item Information/ACRN Missing/Incorrect
    - The contractor should review contractual terms and submit a corrected invoice for payment.
- E-06: Shipment Number Missing/Incorrect
    - The contractor must annotate the invoice with a correct shipment number. The invoice may then be resubmitted for payment.
- E-01: DFAS Not the Paying Office
    - The contractor should resubmit their invoice to the appropriate pay office, as stated in their contract.

Returned / Recycled Invoices



Returned/Recycled	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
CED Returned/Recycled %	12.29%	11.75%	11.88%	10.96%	11.65%	12.19%	12.26%	12.65%	11.58%	12.40%	11.50%	11.61%	10.73%
CED Returned/Recycled #	10,226	10,788	10,997	7,481	10,704	10,782	11,205	11,092	8,800	12,392	11,327	11,581	10,042
Invoices Processed:	83,234	91,838	92,531	68,259	91,912	88,416	91,372	87,712	76,007	99,904	98,473	99,747	93,570

Paid	Jun-02	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03
CED	73,008	81,050	81,534	60,778	81,208	77,634	80,167	76,620	67,207	87,512	87,146	88,166	83,528

Get Well Plan

- Partnering with DCMA (E12A)
  - Quarterly Scorecard to Commanders
  - Coordination of “A” List Reports
  - Ensuring Contact with CMO is Made Prior to Return
  - Encourage WAWF
- Feedback to Contractors (E11, E01, E06)
  - Identify Problem Areas
  - Discuss Recurring Problems

Get Well Plan (Continued)

- Look In Our Own Backyard (E16)
  - Identify Root Causes, True Error vs. “Requests”
  - Ensure Accountability
  - Provide Training
  - Track Progress
  - Encourage EDI

DFAS

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